

MILLIONS WON BY WAR CHARITY FRAUDS AND FOLLIES

Patriotism and Generosity of Citizens Traded In to Provide Scandalous Profits for Backers

By Katharine Wright

BETWEEN three and four million dollars contributed by generous patriotic citizens in New York City for war charities never reached the victims for whose aid and comfort the money was solicited.

This is the substance of a recent estimate made by the District Attorney's office, which is supplemented by the statement that notwithstanding all that has been done to stamp out this evil it is still very far from being obliterated.

In addition to the fakes are the follies. The failure of many "charities" to turn over to the objects of its endeavors more than a pittance of the funds collected has been due not to deliberate fraud, but to ignorance and lack of intelligent management.

Limited by the present laws, the District Attorney is powerless to stop the mucky current of war charity graft that rolls on its sinister way. So is the Charity Organization. For there is no law to prevent any group of individuals from cheating the public in the name of charity. The only brake on the activities of this class of war profiteers is individual prosecution upon complaint. And then it may be too late to recover the amounts subscribed.

That the grave menace to the community by war charity fakers is no myth was proved in the recent presentation of the grand jury as the result of investigations conducted by District Attorney Swann.

Before these investigations were begun to protect the New York public and our soldiers and sailors this city was a veritable paradise for the war charity sharks. Their numbers were swelled by crooks from other cities attracted by reports of easy and substantial gains. But now a goodly number of these criminals have been convicted, while others are indicted or awaiting trial.

Notable Contribution To Literature of Graft

More than three hundred societies have been investigated by Assistant District Attorney Edwin P. Kilroe and over five hundred witnesses have been examined in an effort to rid the city of war charity frauds. In Mr. Kilroe's office in the Criminal Courts Building are hundreds of documents pertaining to these cases. The collection is supplemented by his files at his Manhattan Avenue home. This literature is such entertaining reading that during his coming vacation Mr. Kilroe intends to put it in a book, a volume which should make the same appeal to lovers of detective stories as the exploits of Arsene Lupin, the adventures of Sherlock Holmes or the incomparable M. Tesson.

Working with District Attorney Swann and Mr. Kilroe are two detectives, Sergeant Grover Cleveland Brown and Sergeant August Mayer. These men go forth each day on a round of investigations and the cleverest disguise worn by war charity fakers is little protection from them. No muttered "help the poor" mumble-mumble plea of street or subway solicitors will deceive their sharp ears. Both detectives are highly praised by their superiors for judgment and enterprise in running down clues and following trails. They are given a large measure of credit for driving from the city what he calls the "One Hundred Per Cent Boys" and the "Fifty-Fifty Gang."

Investigations have shown that one of the most serious forms of imposture upon the New York public is the use of names upon stationery and letterheads of committees of prominent citizens. Men and women of standing have been incredibly careless in the matter of lending their names, although the very act should include a lively sense of responsibility in these matters.

Money has been extorted also from private individuals by telephone conversations. The victim is informed that a well known citizen is at the other end of the wire, eager to swell the funds of his special charity. The victim, quickly succumbing to the flattering idea that he has been called upon by so socially or financially prominent a person, writes out a check and thinks little more about it. The victim seldom thinks of examining the indorsement on the back of this particular check when the bank makes its returns, although were this measure of prudence resorted to in nine cases out of ten the name of some shady hotel, saloon or tobacco shop would be revealed.

Incredible as it sounds, state Senators have fallen for as vague organization titles as "Our Navy," which claimed to be a patriotic periodical paper. They have cheerfully made out checks at the request of solicitors, afterward wondering at the plying glances of the officers in charge of rounding up these criminals. In one or two cases reported recently at the District Attorney's office the Senators have refused to appear in person to substantiate such proofs of childlike innocence and freedom from guile, but have contented themselves with sending notes on the subject to their brothers in high places.

Men with criminal records and men who have been driven out of other

War Charities Discontinued After Investigation by District Attorney's Office

The Army and Navy Bazaar.
The American Ambulance in Italy.
The American Ambulance in Russia.
The 100% Boys.
The National Woman's Army.
The Cripple's Welfare Society.
Good Samaritan Circle of the Fatherless Children of France.
League of Loyal Americans.
Italian Bazaar in the Grand Central Palace, November, 1916.
American Convalescent Home Association.
The Penny a Week Fund.
The Godfather's League of Our Allies.
Lord and Lady Aberdeen.

cities have solicited funds in New York City for so called "war charities." Many are now serving prison sentences.

Patriotic societies sooner or later branded as fakers have been and are still springing up over night. In many cases the names bristle with patriotism and sentiment. In most cases the more imposing and sonorous the name, the more nefarious the charity.

The folly of promiscuous giving to persons soliciting money on the streets cannot be too strongly emphasized. The law forbidding such solicitations is seldom applied in war time to check any reasonable charity activity. Every day the citizen is confronted on the city streets with urgent pleas to relieve some pressing need of war sufferers. Sometimes the request rolls glibly from the tongue of a fair solicitor. Sometimes it is almost unrecognizable. The manner of the suppliant is now obsequious, now imperious, sometimes threatening.

The Case of the Army-Navy Bazaar

The Army and Navy Bazaar at the Grand Central Palace started the ball of investigation rolling, when it was found that although the total receipts amounted to \$1,174, only \$754 remained to provide comforts for American soldiers and sailors, after commissions and expenses had been paid. This was in the autumn of 1917.

Investigations revealed startling figures. One important revelation came when the profit surrounding the souvenir programme was uncovered. The actual cost of this immortal record was \$670—but \$44,845 was obtained for it in advance from advertisements. Only five thousand programmes were printed.

The committee supposedly in charge of this work included the late Mayor Mitchell and Edward S. Morse, vice-president of the Guaranty Trust Company. Some of the solicitors were National Army soldiers, one from Camp Upton. Subscribers simply handed over their cheques to the solicitors, in many cases saying that they did not want publicity. Sixteen persons donated \$6,000 for the programme, as a free gift to the Army and Navy Field Comforts Committee. It was disclosed that 6,000 names of "charitably inclined persons" were in the possession of the organizers of the bazaar.

The utmost ingenuity was displayed in persuading people to contribute. One clever scheme was suggested to Alan R. Hawley, president of the Aero Club of America. It was proposed that the club have a booth at the bazaar, where aviation books could be sold, and that a scout aeroplane be on exhibition in charge of a committee of women. For a paltry 25 cents it was stipulated any one might enjoy the privilege of writing his name on the wings of the aeroplane soon to roar over French battlefields. Mr. Hawley declined to lend his aid to the project or to contribute in any way to the bazaar.

Another and more successful hoax was perpetrated when a tooth paste manufacturing concern at Newburgh, N. Y., was the victim. A \$10,000,000 order for the Allies was promised to this gullible concern if it would give \$1,000 to the bazaar. The company's money was refunded, but that was cold consolation for the \$8,000 it had already spent in installing new machinery to handle the anticipated order.

Alluring stories were circulated about the comfort kits to be bought with the funds from the bazaar. They would cost between \$1.95 and \$2 at retail, it was affirmed, but the Army and Navy Field Committee could obtain them for 90 cents at wholesale, so that every dollar donated would buy a substantial package, the four cents difference going to the account for postage, transportation and administration expenses.

Among those who are charged by the grand jury to have profited by the ill-gotten proceeds of the entertainment was George S. P. Sweeney, who acted as advertising agent for the bazaar, and C. Donald Fox, an organizer.

Russian War Relief A Great Producer

Another instance of charity imposture was disclosed in the case of "The American Ambulance in Russia." The books of this organization showed that upward of \$250,000 was collected, but it was testified in the proceedings that only approximately \$60,000 was actually devoted to the alleged objects of the charity. Where the difference went has yet to be ascertained, although evidence was submitted that fur coats and silk stockings for members of the organization were paid for by the public under the impression that the contributions were being used for the equipment of ambulances to be used by wounded Americans.

A motion picture agent for the ambulance wrote to the Elks for a con-

tribution. He received \$684.65 and at first kept \$136.93 as his share of acquisition expenses, the charges were.

"We have forty-eight ambulances in operation on the Russian front," he wrote in his letter soliciting contributions. "They constitute the only American unit engaged in field service in Russia and are supported by popular subscription."

While this fund flourished an ambulance stood at the library corner at Forty-second Street and Fifth Avenue every day. Those in charge solicited contributions. The money was thrown on a stretcher laid on the sidewalk. From \$100 to \$450 was gathered in each day.

Then there were the entertainments. These averaged about \$22 a week. Local expenses for these shows were borne by the patrons, who furnished the hall and supplied the ushers, generally Boy Scouts and young society girls dressed as nurses. The shows consisted of motion pictures, showing ambulances at work on the Russian front and scenes in Petrograd during the first revolution; a feature by George Roach, an ambulance driver, followed by recitations by Mary Lawton.

The driver of the ambulance that went with the show was dressed in a Russian army uniform and was advertised as the first of twenty-six girls who were going to drive ambulances in Russia. The other twenty-five were never mobilized.

C. Wesley Shedd and Garret Z. Demarest, two young men who started as volunteers to solicit for the fund, later drew 10 per cent commissions, it was alleged. Their collections ranged into high figures.

Extraordinary items appeared on the books of this fund.

Advertising for a lost watch. \$120
On the same day to a man who claimed he got \$5 for finding the watch 5.30
Gotham silk hosiery 6.00
Smith, chauffeur, dinner and laundry 5.40
Glass, balance on dog booth 125.00
Laura Morris (Cynthia) 49.70
Evelyn, dressmaker 170.00

When called to account the explanations of these in charge were nearly as extraordinary as the items.

The silk stockings, for example, it was explained, were bought for the papier maché legs of girl dummies exhibited at Coney Island. Young men were charged 10 cents a throw for trying to "ring" them with a small hoop; the man who succeeded was entitled to the stockings. "Evelyn" testified that she furnished clothes for the girls to be worn at the booths.

Hamilton's Trip To Russia

Then there was the little matter of William Hamilton's trip to Russia, lasting from January to August, 1917. There was testimony that in his capacity as treasurer and vice-chairman of the fund he drew substantial sums for travelling expenses from many sources. The Foreign Merchandise Corporation was induced to contribute \$3,250, and C. H. Boynton, of 61 Broadway, \$1,100. The American Ambulance in Russia was relieved of \$1,100 as its share of the expenses. While in Petrograd he received \$1,000 from John Moffat as president of the Russian War Relief. He has since refunded \$985.

Mr. Hamilton had a congenial travelling companion, one Nelson Fell. While according to popular report these two

were inspecting the ambulances at the front, a letter from young Fell's mother to Hamilton Fish, Jr., who was at one time secretary, told a different story.

"He knows only Moscow and Petrograd hotels and it is a rather demoralizing and useless life at his age," wailed the anxious mother. "I fear the experience will not prove profitable to him and he would have been more usefully employed at home."

Contributions levied for this organization amounted to \$91,000, and among the individual donations were William K. Vanderbilt, \$4,000; General Electric Company, \$5,000; Andrew Carnegie, \$1,000; Herbert L. Satterlee, \$200; Willard Straight, \$500; Studebaker's Corporation, \$750. It was understood that these funds were to be devoted exclusively to automobiles and surgical supplies.

The American Ambulance affairs were ultimately wound up. The bank balance of \$5,000 and the field equipment valued at \$35,000 were turned over to the Red Cross and the office furniture was sold.

Italians Pay Huge Tribute

Destitute Italian families in town whose breadwinners had joined the colors in Italy fared no better than the American ambulances in Russia as to the proceeds of the Italian Bazaar, held at the Grand Central Palace in November, 1916, when \$60,000 was taken in and only \$13,000 sent to those in whose names contributions were made, according to the testimony. Francis L. Carrao, former Assistant District Attorney of Kings County, was responsible for the grand jury investigation in this case.

The search for the world's meanest man might well stop with the arrest of the "100 Per Cent Boys." These developed from the "fifty-fifty" charity workers who divided their spoils between themselves and the object of the charity. The 100 Per Cent Boys collected in the name of a so-called charitable enterprise and coolly pocketed all the proceeds.

Michael J. Deleahanty was one of the 100 Per Cent Boys. Lester Winkelman acted as another. Many cheques brought in went through his hands, and he advised the holders when and where to cash them. Winkelman is now in jail. Deleahanty is out on parole.

According to Detective Sergeant Mayer, Deleahanty had "a fine voice for the telephone."

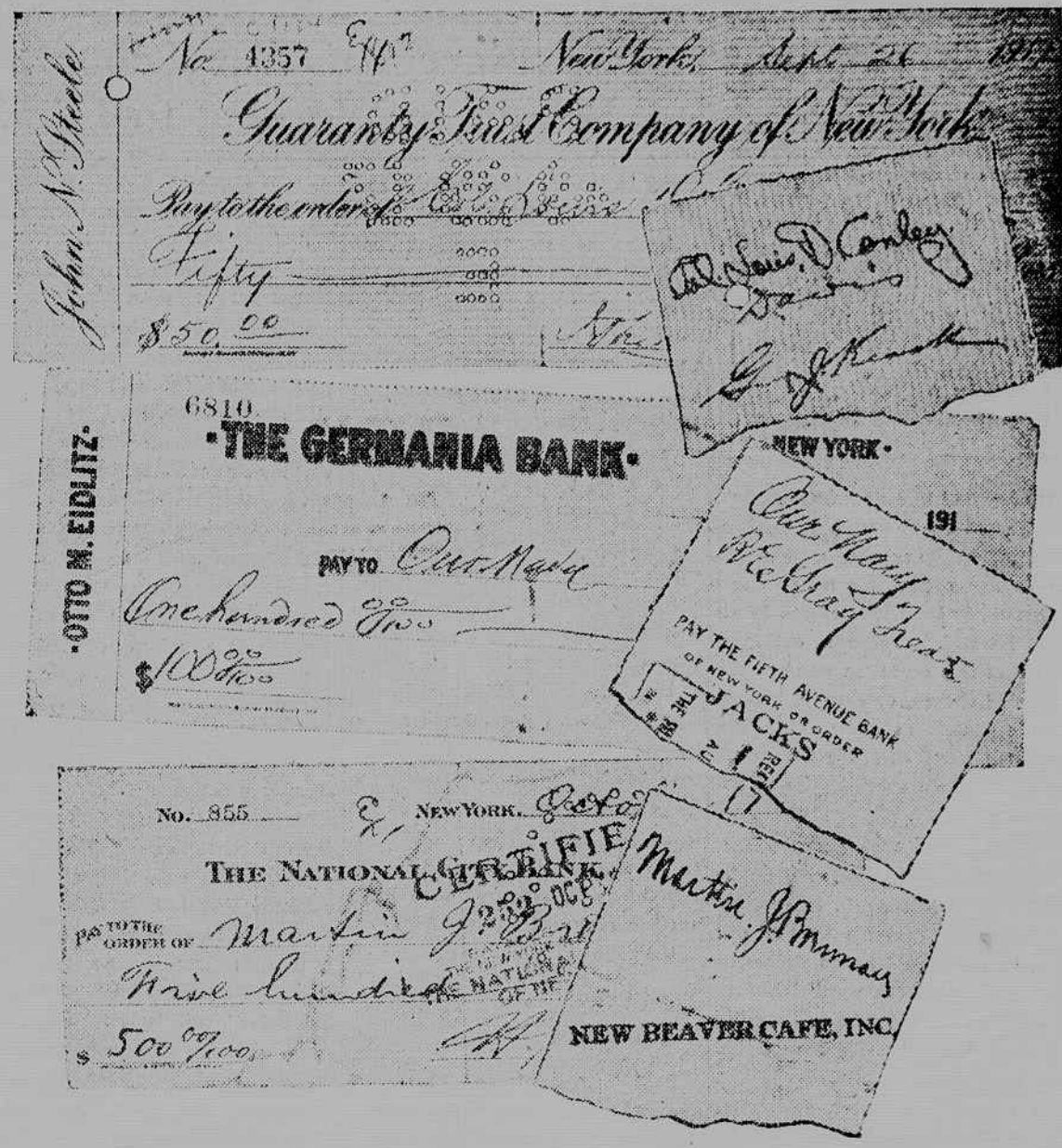
"Hello, hello! Is this Mr. Walter J. M. Donovan?" he rang up on one occasion to a Broadway broker. "Well, this is Colonel Louis D. Conly of the Fighting 69th. Won't you give us a little contribution to help the boys?" "Why, I'd be glad to send you my cheque for \$1,000," replied the victim in this case, who had intended giving an ambulance to the 69th Regiment.

A few minutes later Deleahanty, alias Colonel Conly, went to the broker's office and received the cheque. Deleahanty collected and spent on riotous living a large sum before he was caught. Now he is out on parole, bound to report at Police Headquarters once every week for five years.

"Colonel Conly" Was Good Bait

"Colonel Conly" was a popular alias. Last March William L. E. O'Neill was indicted on the complaint of John N. Steele, a lawyer, that he had presented a letter of introduction purporting to be signed by Captain W. W. Marks, of

HOW CHARITY MONEY WAS HANDLED



Checks donated to relieve war suffering and cashed at barrooms and restaurants.

the 9th Coast Defence Artillery, and that O'Neill, masquerading as Colonel Conly, received a check for \$50 from Mr. Steele for the supposed relief of families of members of that regiment. When the investigation of this case was going on the name of George J. Kuck was found on the back of the cheque. This was the name of the proprietor of a saloon at 1338 Seventh Avenue, where the cheque in evidence had been cashed. A contract to obtain funds for the Stage Children's Bazaar at the Hotel McAlpin was found in O'Neill's pocket. The entertainment was stopped.

James Fitzpatrick was indicted on the charge of passing a check for \$25 to which the indorsement of Colonel Reginald Foster was forged. The check was obtained, it was charged, on the representation that it was to be used for dependents of members of the 12th Regiment. Ernest J. Hutson, formerly with the Wheaton Service Corporation, decided to return \$1,500 of the money he had received as commissions earned by soliciting funds for the same cause.

Winkelman cashed a cheque for \$109 made out to "Our Navy," at Jack's Restaurant, Forty-third Street and Sixth Avenue. Another cheque for \$25 solicited in the ostensible interest of the Boy Scouts was cashed at a United Cigar store. Still another for \$500

was cashed at the New Beaver Cafe, on Beaver Street. Cheques solicited for a farewell benefit performance at the Hippodrome in aid of the 71st Regiment were found to have been cashed at United Cigar stores and at Kuck's saloon.

When the telephone game grew monotonous and easy sources had been tapped, Winkelman conceived, it was charged, the idea of having circulars printed showing the names of important contributions to whatever charity was solicited for and the sum given. The amounts were never less than \$200, and the highest figure was usually \$1,000. A printer who had done work of this kind for him later served as an important witness against the charity crook when he was brought to trial.

Bogard Had Another Record

Milo Bogard was collecting money as executive director of the League of Loyal Americans, Inc., with headquarters at 170 Broadway. The league was organized for the alleged purpose of promoting patriotism among young men throughout the country.

Bogard agreed to retire from work soon after he admitted to representatives of the District Attorney that picture No. 13,788 in the Rogues' Gallery at Police Headquarters strangely resembled him. According to record, Bogard was sentenced in 1880 to three years in the Chester penitentiary, of Illinois, for larceny.

The imposing letterhead of the league included on its advisory board the name of Major General Leonard Wood. Charter members listed were Elihu Root, Robert Bacon, Cornelius Vanderbilt, James W. Gerard and others.

In November, 1917, another important arrest was made in the person of Julius H. Ford, alias Doc Waterbury, alleged confidence man, on the charge that he was ostensibly collecting money for soldiers' books designed to give them a working knowledge of French. When arrested he said that he came from one of the best families in the state, and had the best wife in

the world. A dual personality was his excuse.

For months young girls with toy savings banks solicited from passengers in the subway and "L" trains and from pedestrians on the street in the name of the Cripple's Welfare Society. They received 50 per cent of what they collected, the complaints said.

Citizens complained to the District Attorney, who discovered that George Washington Ryder, head of the society, was under indictment in Federal courts charged with using the mails to defraud. He admitted employing the girls, and said among the supporters of the incorporated society was Sarah Bernhardt. The society was discontinued last March.

"Society" Shone At This Affair

A letter unauthorized by her and on which Mrs. Oliver Harriman's signature was used—introducing "Mrs. John M. Mitchell, a member of our committee," resulted in the voting out of existence of the Junior Patriots of America, an entirely bona fide organization. The benefits given at the Hippodrome in the interest of this charity will long be remembered for the distinction of those who participated. Mrs. Harriman aided in the arrest and indictment of Arthur Curry. He was a member of the firm of Curry & Saunders, soliciting agents.

Even the crooks themselves speak contemptuously of the infantile credulity displayed by their victims.

"Teach the financier to be a business man," advised Deleahanty after his arrest.

"Every road seemed to lead to heaven. Every person I met fell for the game. It was as easy as picking up rocks on the Palisades. I was not the only one doing it. The lead-pipe cinch men came from all over New York. The word had been passed that the graft was easiest here, and the town was soon filled with confidence men."

"That's what spoiled the game. Some of the low boys weren't satisfied with a couple hundred dollars a day, and they began to use blackjack methods. They tried to blackmail right and left and people began to sit up and take notice. That's when I quit."

The list of misuses of charity appeals was increased by the astonishing admission that a former Governor General of Canada and onetime Viceroy of Ireland last May sailed for home under a benevolent escort provided by the British government.

The Right Hon. Sir John Campbell Hamilton Gordon, Earl of Aberdeen, Viscount Formaline, Lord Haddo, Methlie, Tarves and Kellie, in the peerage of Scotland, Viscount Gordon of Aberdeen County, Aberdeen, in the United Kingdom, Baronet of Nova Scotia, Viceroy of Ireland, Governor General of Canada and commander in chief of Prince Edward Island, was a plader for Irish relief work in America since 1915. He was assisted in his activities by his lady. Between them they succeeded in raising about \$40,000, a percentage of which was used for their personal expenses.

The Earl, it was charged, was responsible for the organization known as "The Stickers' Club." The only initiation fee necessary to become a member was twenty-five cents, which purchased a sticker or badge. The club played a considerable part in raising funds "to alleviate the sufferings of hungry and ailing children in Ireland." Then there were some sixteen theatrical appearances made by the nobleman in aid of those charities to which he had already

Former Convicts, Society Women and Foreign Countesses Find American Pockets Open to Suffering

called the attention of his wealthy American friends. It was the little contraptions at Carnegie Hall that subsequently led to real trouble. Charlie Chaplin had been announced as headliner of the entertainment, but when the time came he was not to be seen nor had he sent the letter of regret customary on such occasions. As other artists whose services had been announced were also absent, and considering the fact that prices paid for admission ranged from \$2 to \$15 and \$25 for boxes, investigations were in order. The Earl and his lady were permitted to remain at large until their recent departure on condition that they ceased their efforts on behalf of suffering Irish women and children.

Mrs. William Cummings Story has fitted in and out of the District Attorney's office since April, 1915.

In November, 1917, she was questioned about her management of the Emergency Relief Fund, but at the time Mr. Kilroe found nothing upon which to proceed.

Charges were made that William J. Brown, a solicitor, had paid 20 per cent of his net profits for collecting \$20,000 for the Emergency Relief Fund to Sterling Story as a return for obtaining the position for Brown with the organization of which Story's mother was president.

The four counts on which Mrs. Story now stands indicted are public property.

Mrs. Dearborn J. Adams, of Brooklyn, and her daughter, Helen, founder and president of the American Convalescent Home Association, decided to give up the idea of establishing such a paradise for our soldiers in France, although it was claimed by mother and daughter that Secretary Baker and Joseph Tumulty both liked the idea.

A Few Countesses Find It Easy

Countess Josephine de Castelvichio, however, managed a benefit at the Princess Theatre to aid the project and another was held in the grand ballroom of the Plaza Hotel. Mother and daughter also made collections in restaurants, including Healy's, Churchill's and Shanley's.

"A chateau somewhere in France where convalescent American soldiers could be entertained by American girls," was Mrs. Adams' dream. But it was doomed never to be realized, although daughter Helen went all the way to Palm Beach, after the entertainment, to raise additional funds.

Another titled woman, Countess de Bois Hebert-Gaet de Tilly, was requested to stop collecting funds for the Rumanian Red Cross. She was unknown at the Rumanian Club and the Rumanian consul could find no official authority for her activities.

The head of the National Woman's Army decided to call off a benefit at a Park Avenue hotel and to disband the organization.

Mrs. Lillian L. Miller, of Riverside Drive, collected \$450 ostensibly for the War Baby Cradle, of which Mrs. Jules S. Bache is treasurer. A man named Swanson had asked her to send de luxe editions of "Belgium's Tribute to King Albert" at \$10 a book for the above charity, wholly without the knowledge of the treasurer. The money collected was turned over to the District Attorney.

What Should Be Done to End It

Protective measures against misuse of the name of charity have been under consideration. Were the powers vested in the District Attorney by law as a prosecuting officer increased the outrages that his investigations have revealed might be more quickly ended. "People who solicit money on the streets for war charities should have their fingerprints taken," said Mr. Kilroe, speaking of this phase of war charity frauds. "They should also be photographed and licensed."

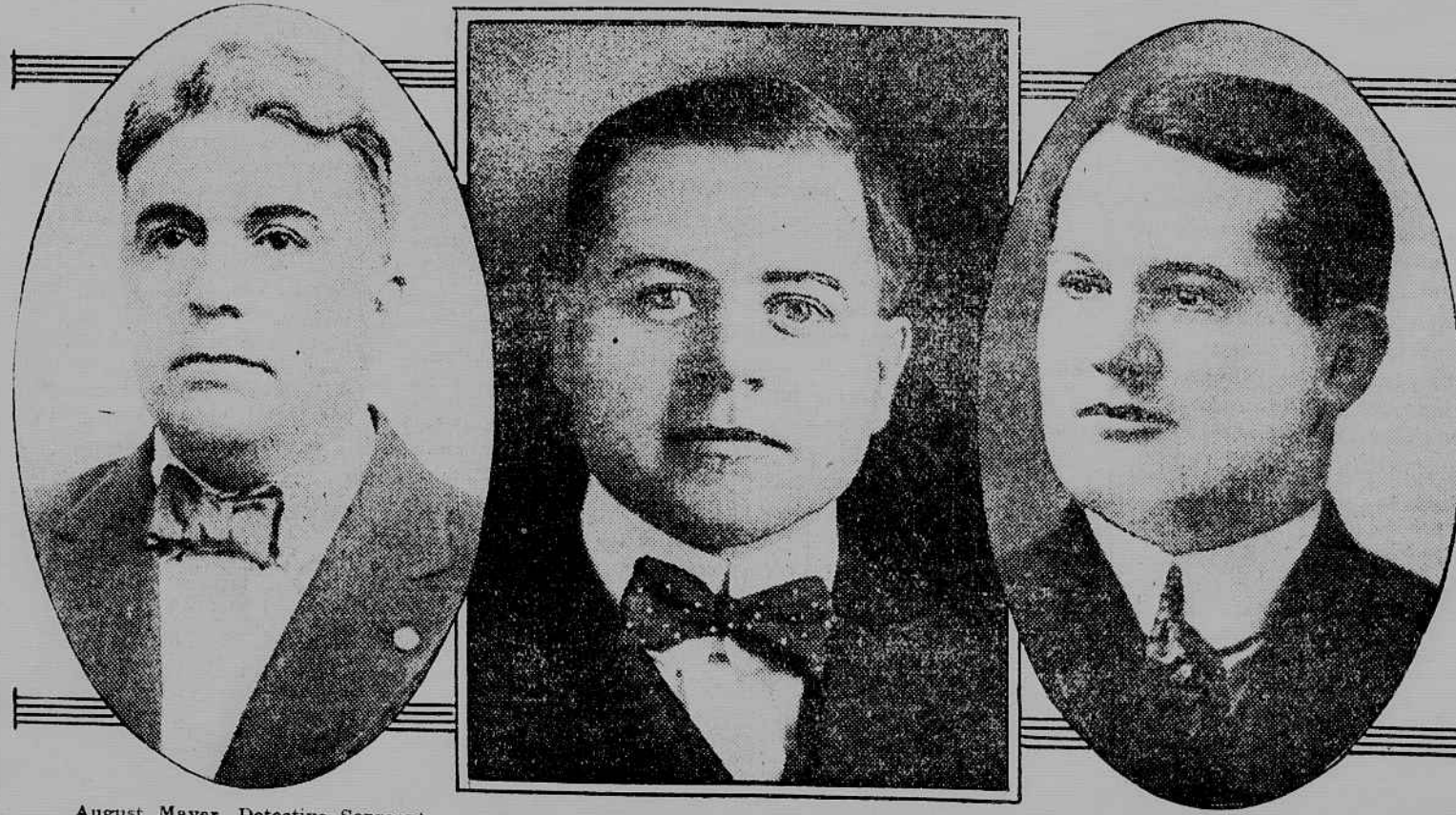
"Congress should create a bureau to supervise war charities. No society should have permission to be founded unless its functions and scope were approved by a Federal bureau or controller. The state should have a similar bureau."

"My investigations convince me that war charities and allied activities should be for the duration of the war under official supervision, in order to protect the public against impostures and assure to the men at the front the enjoyment of the intended benefits," wrote Judge Swann last week to Newton D. Baker, chairman of the Council of National Defense.

"Patriotic societies should be subjected to national supervision and control, and the bona fide ones would not object to reasonable regulations; this would prevent rival organizations from springing up and attempting to take advantage of the good name and reputation of the original society for two patriotic organizations to exist where the public cannot distinguish between them. For instance, it is very difficult for the public to distinguish between the Boy Scouts of America and the United States Boy Scouts, and to differentiate between the objects of activities of the two."

Meanwhile, until some applicable legislation is decided upon, it is suggested that those contemplating a generous contribution to war charity solicitations look over the bulletin of war relief organizations issued by the Charity Organization.

MEN WHO EXPOSED THE WAR CHARITY FRAUDS



August Mayer, Detective Sergeant

Edwin Patrick Burke, Asst. District Attorney

Grover Cleveland Brown, Detective Sergeant